Contract Catering Company

| Sector: Food and Beverage | Project Value: JD15M | Location: Amman & Karak |

Potential Opportunity

Cinven is an investment house that bought Garner Merchant a contract caterer for about JD400M in 1994 and sold it for 2.5x the value in 1995.

Gardner Merchant (GM) grew to become one of Europe’s largest contract catering organisation over a period of 20 years, by identifying and occupying a niche opportunity initially in the UK. The opportunity arose because catering services were fragmented, mismanaged, had no purchasing power, poor equipment, and in many cases didn’t understand or meet basic hygiene standards.

GM was helped by the fact that ‘outsourcing’ was becoming of interest to the public and subsequent private sectors at that time. They now provide qualified catering staff, food technologists, inspectors, and cooking facilities for universities, schools, government offices, hospitals, retail, sports entertainment, service station and delivered sandwiches, hospitality, and many of the large private sector companies.

There is an opportunity to consider launching a caterer using the GM model to meet demands in Jordan and in time in the MENA market as whole, where food and beverage business is growing at an exceptional rate. Positive drivers are:

- Demographics suggest a large increase in consumers.
- Timing is perfect –Jordanian acceptance of Privatisation, PPPs, Concessions and Outsourcing approaches is growing.
<table>
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<th>Warehouse Freezing Facility</th>
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**Potential Opportunity**

Frozen food is available only in very limited quantity in Jordan, mostly small packed meat or vegetables found in the larger super markets. These are currently imported from various parts of the world: the EU, South America, and as close as Saudi Arabia. Generally speaking, the supermarket freezer facilities are inadequate and are insufficient to keep the food frozen. There are fast food franchises and fresh food restaurants but few healthy options and no prepared frozen food ready meals. The agricultural and food processing industry doesn't use freezing facilities to operate in the frozen food sector, for either industrial catering or domestic demand.

**I. Description of the Business**

A joint venture or entrepreneur with a freezing factory and a distribution point for frozen vegetables, meat and potential to progress into production of ready meals.

Subject to skilled development this could develop into a large frozen retail opportunity.
Wal Mart

<table>
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<th>Sector: Food &amp; Beverage</th>
<th>Project Value: JD3 -5M</th>
<th>Location: Amman</th>
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Potential Opportunity
Wal Mart is the largest retail organisation in the world. They dominate North and South America and currently intend to open two stores in India and have announced their intent to open a further 75 stores in the country. In fact in total they intend to open 230 new international stores and currently they have no representation in the Middle East. This would be opportunity for Amman and Jordan.
In Y2005 it gained 545 stores, and employed a further 50,000 people, and maintained an operating profit of US$4.2 billion.

1. Description of the Business
Wal Mart Store, retail business with a whole range of goods at affordable prices.
This business will need a supply system and logistical support.
Sun Dried Tomato Processing Company

<table>
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<tr>
<th>Sector: Food and Beverage</th>
<th>Project Value: JD8-12M</th>
<th>Location: Mafraq and Amman</th>
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**Potential Opportunity**

The global production of tomatoes accounts for 100M tonnes, and about a quarter is used for processing. The world’s two major temperate zones are the productive regions, the Northern region producing 91% of the world’s crop, including Turkey, Syria, Israel and Jordan. The production period being between July and December and the opposite in the Southern Hemisphere. Arguably the Jordan valley, where tomatoes could be produced all year round is unique.

Jordan joined (Y1989) the Mediterranean International Association of Tomato Producers (AMITOM) through AMPCO, which is the largest of Jordan’s three tomato processing companies.

There are two opportunities for new products: (i) Sun Dried Tomatoes, and (ii) Seeded (cook in) Tomato Sauces. Neither is produced in Jordan and both demand a premium price in the retail market.

The tomato ‘cook in sauce’ market is dominated by the Italians but the sun dried tomato industry is fragmented and not so brand driven.

Jordan has the climate, the raw materials and an existing tomato processing industry that could enable it to further expand its position in the industry.

**I. Description of the Business**

Sun dried tomato producing and bottling factory, capital intensive, requiring marketing and sales capability.

Supply chain will be required for the raw materials and support services.
Fruit Concentrate (Juice) Producer

| Sector: Food & Beverage | Project Value: JD5M | Location: Jordan Valley, Madaba |

Potential Opportunity
The opportunity is the production of fruit juices and nectars in Jordan. The opportunity arises from several favorable factors:

- Jordan produces wonderful fruit and yet Jordan imports large quantities of fruit juice.
- Because of the high aesthetic quality specifications set by super markets there is also wastage of fruit due to superficial damage or limitations on size and appearance.
- The global growth rate for fruit juice and nectars has slowed but the trend in Middle Eastern consumption is upward.
- Suppliers are looking to align production with marketing and distribution, especially as distribution costs escalate.
- Jordan has trade agreements and sales/distribution channels with many of its MENA neighbors.

The traditional producers of fruit concentrate, Brazil, Mexico, Greece, Italy, and Florida have built their industries on the basis of out of specification fruit produced by the agricultural sector. This same route could be followed by Jordan.

I. Description of the Business
Fruit juice (concentrate) production and marketing / distribution business preferably associated with a modern fresh fruit pack house business and employing sophisticated technologies, such as automatic grading machines and tetra pak packaging. Ideally, the business is associated with a well known brand that projects the required image in the MENA market place. Alternatively, a new Jordanian/Middle Eastern brand (see Royal Jordan Branding project) could be utilized.
<table>
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<th>Frozen and Chilled Ready Meals</th>
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<td><strong>Sector:</strong> Food and Beverage</td>
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<td><strong>Location:</strong> Amman or QIZ</td>
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### Potential Opportunity
Traditional Arabic dishes, such as Mansaf and Kabseh are not currently available abroad. With the increase in the number of Arabs working and or studying in the USA and Europe; an opportunity exists to prepare and package traditional Arabic food for the export market. The target market would not only include Arabs living abroad but also westerners looking to enjoy Arabic cuisine. Thai, Indian, Chinese, Italian and various international meals are currently available and extremely popular in the USA and Europe.

In parallel there are very few high quality, locally prepared Arabic ‘ready meals’ available in the domestic market.

### I. Description of the Business
The establishment of a ready meal food processing company which will produce, package and freeze Arabic food for reheating. Selection will cover various popular traditional meals from the MENA region and will be presented in convenient microwave safe packaging. Recipes will include local produce and traditional spices, with all the goodness and taste of homemade cooking. All meals will meet FDA international standards. Arabic cuisine ‘ready meals’ will be targeted to the international and domestic market.

Investment will be needed for premises, infrastructure, processing equipment, freezing and packaging facilities.
# Cooperative Wholesaler JV for Olive Oil

<table>
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<th>Sector</th>
<th>Project Value: JD4M</th>
<th>Location: Amman, Mafraq, Madaba, Karak</th>
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## Potential Opportunity

Similar to the agricultural fruit production, olive oil post harvest activities need to be organized. Jordan features in the top ten potential producers, so some farms do have the capacity to bottle and export their products to niche markets.

Accessing export markets is a key issue as premium prices can be achieved compared to those obtained in the domestic market. Having the ability and knowledge to sort, grade, clean, bottle, label, market and sell the produce is a real problem for the smaller farmer.

This is an issue on the Ministry’s agenda; however, laws associated with land ownership currently restrict the potential for larger farms. Therefore, economies of scale can only be achieved with cooperatives and wholesalers. The cooperative approach is used successfully around the world, even in the US where size should not be a problem!

If Europe and the US are the target export markets, then Jordan must attract a Wholesale Chain to invest in a cooperative, operate and organize produce for the export market. These organizations have access to equipment, understanding of standards and most importantly a retail network providing access to the market.

## I. Description of the Business

Wholesale cooperative business with foreign joint venture partner, with the necessary facilities to mill, store, bottle, manage waste, and provided access predominately to international markets.
## Cool Store Facility

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<tr>
<th>Sector: Food and Beverage</th>
<th>Project Value: JD10M</th>
<th>Location: Amman, Mafraq</th>
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### Potential Opportunity

A cross cutting theme from the agriculture, food and beverage, pharmaceutical, and to a lesser extent chemicals sector is the lack of chilled transport and storage and transport facilities in Jordan.

Fruits scheduled for export have been turned back from the airport because a lack of cool store space – often the existing capacity has been taken up by more valuable items such as packaged pharmaceuticals. Likewise exporters of cut flowers, food-stuffs, and beverages would be able to command better opportunities to compete in international markets if their products could be kept cool while in transit.

There maybe further opportunities for complementary operation of a freezer store.

### I. Description of the Business

Construction and operation of a chilled warehouse, storage, and distribution facility, with refrigeration plant, storage, handling, and ERP capability. In addition, the warehouse will own and operate a small fleet of haulage trailers with refrigerated equipment. Maintenance could be handled in house and/or outsourced, depending on scale.